

~~CONFIDENTIAL~~30th July, 1959.COCOM Document No. 3635BCOORDINATING COMMITTEE

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RECORD OF DISCUSSION1 - Files
1 - HKCNFRENCH PROPOSAL CONCERNING EXPORT TO THE U.S.S.R. OF A
PROCESS FOR THE PRODUCTION OF ISOPRENE27th July 1959

Present: Belgium(Luxembourg), Canada, France, Germany, Italy, Japan,
Netherlands, United Kingdom, United States.

Reference: COCOM 3611.

1. The CHAIRMAN drew the Committee's attention to the French Delegation's Memorandum (COCOM 3611) concerning a proposal to release to the U.S.S.R. a process for the production of isoprene. As the French Delegation had expressed the wish to hear the opinion of the Committee, the Chairman invited Delegates to make known their Governments' views on this matter.
2. The NETHERLANDS Delegate stated that from a general point of view his authorities would not encourage the export to the Sino-Soviet Bloc of the manufacturing process in question; the Netherlands Government, however, had not the possibility available to most other Member States of using legal means to prevent such an export. The Delegate pointed out that in accordance with the terms of Administrative Principle No. 5, participating countries are invited to prevent the supply of technical data etc. "so far as practicable" - for example by means of a gentleman's agreement with the industry concerned. This would be the only basis on which the Netherlands Government could associate themselves with the attitude of other Member Governments if the majority of the Committee considered that the process for the production of isoprene ought not to be communicated to the Sino-Soviet Bloc.
3. The UNITED STATES Delegate said that his authorities welcomed the spirit of cooperation which had led the French authorities to consult the Committee on this matter of mutual security concern. The United States Government considered that the Free World had a significant superiority over the Soviet Bloc in most areas of petro-chemical technology, including the production of synthetic rubbers. Soviet synthetic rubber production suffered from a deficiency in quality and from a limitation on the number of specific types available. Although the Soviet Bloc was now able to purchase abroad almost all the natural rubber it needed, it wished to reduce or even eliminate its dependence on outside sources of supply. Consequently, it was obliged either to buy synthetic rubber processes or plants from the Free World or to re-direct and to re-allocate its technical and industrial resources, human and material, to design and build its own synthetic rubber plants. Isoprene was used to manufacture butyl rubber and the newer "synthetic natural" polyisoprenel rubber. These were high quality synthetics eminently useful for heavy duty purposes, e.g. military type tires. Release of the technology required for the production of isoprene rubbers would, without doubt, give significant assistance to the development of the Soviet synthetic rubber industry. It would reduce Soviet dependence on Free World sources of natural rubber and provide a direct contribution to Soviet Bloc military potential. The Delegate added that United States export

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licensing policies required that licences be obtained for the export or re-export of certain US-controlled technology to the Soviet Bloc. In deciding the issuance of these licenses a "presumption of denial" had been established for technology relevant to synthetic rubber production. The United States had refused licences for petro-chemical technology, synthetic rubber technology, and technology of the type described in the French Memorandum of July 16th. The Delegate stated finally that while recognising that the French authorities need not have brought this case before the Coordinating Committee and that responsibility for deciding the release of the technology in question rested with the French authorities, the United States considered that it would be undesirable for the Free World to provide the Bloc with technological know-how of such significant military importance.

4. The UNITED KINGDOM Delegate stated that his authorities also had welcomed the French Government's action in putting this question to the Coordinating Committee although in their opinion it did not lie within the Committee's established rules or criteria. It followed that the final decision on the matter would rest with the French authorities and be taken on their sole responsibility. The Delegate concluded by saying that so far as his Government were aware, no United Kingdom firms possessed the technique referred to in the French Memorandum.

5. The BELGIAN Delegate stated that his Government appreciated the spirit of cooperation shown by the French authorities in bringing this case before the Committee. Although Belgian industry was not interested in this question, the Belgian Government considered that it would not be very desirable to communicate the process in question to the Soviet Bloc; he considered nevertheless that it was for the French Government to take whatever decision they chose.

6. The GERMAN Delegate stated that his authorities greatly appreciated the spirit of cooperation shown by the French Delegation in submitting this question for study by the Committee. As far as the German authorities were aware, no process similar to that referred to in the French Memorandum was in existence in Germany. In any event no negotiations had taken place with Soviet Bloc countries for the release of such a process. The Delegate stated that if a similar case were to arise in Germany it would be difficult for the Federal authorities to prohibit the sale of these techniques owing to the fact that neither natural rubber nor synthetic rubber was under embargo: the only part the German authorities could play, if approached, would be that of a counsellor, in advising against the export. German legislation did not permit prohibition of the sale of techniques for the production of non-embargoed products. Obviously the situation would be different if the Committee decided to place isoprene under embargo, because then Administrative Principle No. 5 would apply. The Delegate stated finally that it was for the French Government to decide whether or not they wished to advise their industrials against the sale of the process in question.

7. The FRENCH Delegate expressed his thanks to the members of the Committee for the very clear opinions they had expressed, which left the French Government full responsibility to take whatever decision they chose in this matter. Taking note of the position of the various Delegations, the Delegate stated that in bringing this case to the Committee's notice his authorities had wished to avoid taking a unilateral decision. Since it now appeared that the majority of Member States would have serious difficulties of a legal nature in following the example of the French Government should the latter prohibit the sale of the process concerned, the French Delegation reserved their Government's right to take whatever decision they thought fit.

8. The CHAIRMAN summed up the discussion by stating that from the procedural point of view the French Government were completely free to take

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what decision they chose in the matter without any obligation to notify it to the Committee. He added nevertheless that the Committee would certainly be interested to learn of this decision and would be grateful should the French Delegation be kind enough to inform them of it at a later date.

9. The FRENCH Delegate undertook to transmit this request to his authorities. He expressed his personal view that, in the same spirit of cooperation as had already inspired them when submitting this case to the Committee, his Government would, if they concluded the transaction in question, inform the Committee a posteriori.

C O N F I D E N T I A L